



Housing 5

Of all the Comprehensive Plan elements, housing best describes the lifestyles and lifestyle choices available in Bluffton. This section describes Bluffton's housing supply and its strategies to promote affordable and safe housing, and quality neighborhoods. These issues are extremely important because housing not only has community-wide tax implications but it can also affect the social and physical health of residents and overall community character. To attract new residents and businesses to Bluffton, as well as retain current ones, there must be an adequate housing supply to satisfy a variety of incomes and lifestyles.

Vision

We will work to ensure that every resident has decent, safe and affordable housing.

5.1 Housing Stock

Bluffton's future housing needs are discussed throughout this chapter with a particular focus on its workforce population and affordable housing. Bluffton grew significantly between 2000 and 2007, from 34.5 square miles to approximately 54 square miles. Annexation was the driving force behind an expanding geography and population since entire neighborhoods were absorbed during this period, resulting in a significant growth spike (see Figure 5.2). That growth, however, skewed housing data because it reflects an almost instantaneous change in population and other demographic characteristics. The percentage of single-family detached housing units within Bluffton and the County increased.



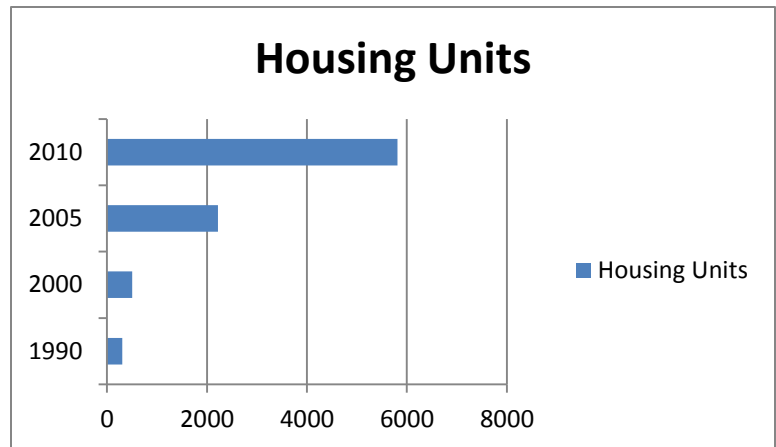
Figure 5.1
Housing Characteristics

Characteristics	Bluffton			Beaufort County	
	2000	2005	2012	2000	2012
Total units	501	2,222	5,809	60,509	93,023
Occupied units	465	1,719	4,513	45,532	64,042
Percent owner occupied	81.0%	83.0%	77.70%	73.0%	70.60%
Percent renter occupied	19.0%	17.0%	21.4%	27.0%	29.30%
Vacant units	36	503	1,296	14,977	28,331
Median value	\$155,900	-	\$229,900	\$213,900	\$279,400
Median gross rent	\$718	-	\$1,282	\$690	\$1,020
Single family detached	66.9%	-	78.90%	63.3%	67.90%
Multi family	0.6%	-	5.70%	14.6%	20.00%
Mobile home	32.1%	-	6.10%	17.3%	12.10%
Single family attached	0.4%	-	9.30%	4.9%	4.40%

Source: US Census 2000, Bluffton 2005 Special Census, American Community Survey 2008-2012 Five-Year Estimates

To address the housing needs of all its residents, Bluffton must offer varied housing choices. However, the cost of land makes it very prohibitive to construct housing for populations with fixed or lower incomes. As an example, Bluffton currently does not have special needs housing available; however, there is such housing in Beaufort and on Hilton Head Island. Therefore, non-traditional housing types, and forms of ownership and tenure must be considered, inventoried and assessed to reflect the needs and desires of Bluffton's various population groups. These include affordable, handicap accessible, elderly and transitional housing.

Figure 5.2
Total Housing Units, 1990-2010



Source: US Census 2010, 2000, 1990, Special Census of Bluffton Town, South Carolina: August 18, 2005

Future Housing

Based on the population projections described in Chapter Two, Figure 5.3 indicates the number of anticipated housing units by the year 2030. Given an assumed average of 2.84 persons per household, there does not appear to be a projected housing shortage in Bluffton. However, these figures do not indicate whether homes will be available at market rates that are supported by local incomes. That determination will require more detailed analysis and study.

Figure 5.3

Town of Bluffton Projected Housing Units, 2030

Projection Method	Population	Housing Units
Arithmetic	43,110	15,179
Decreasing Rate of Growth	34,376	12,104
Regional Transportation Model	16,730	5,890
Average	31,405	11,058

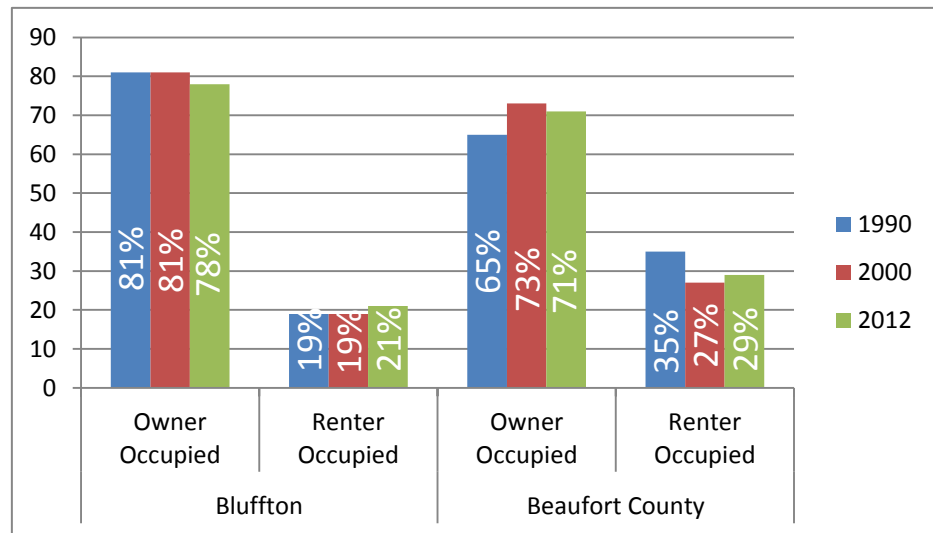
Source: Town of Bluffton Growth Management Department

Housing Stock		
Need: Diverse housing options to accommodate various income levels and lifestyle choices.		
Goal: Ensure a diverse housing supply to accommodate a variety of household incomes and lifestyle choices.		
Implementation Steps	Responsible Parties	Time Frame
1. Support educational workshops focusing on housing options and home ownership.	Planning, Home Builder's Association, LCDC	Medium
2. Inventory, assess and consider non-traditional housing options.	Administration, Planning	Medium

5.2 Tenure and Occupancy

An increase in home ownership is an important goal in most places because it is a key indicator of overall community stability and commitment. In 2012, Bluffton had a higher owner-occupancy rate than Beaufort County (see Figure 5.4). Renter-occupied housing units in Bluffton also increased slightly by approximately 2%. Meanwhile, the County also experienced a slight increase in the number of renter-occupied units between 2000 and 2012. This suggests that Bluffton continues to have a very strong tradition of homeownership and is being increasingly viewed as a good place to settle down and buy a home.

Figure 5.4
Owner-Occupancy Rate 1990-2012



Source: US Census 2000, 1990, American Community Survey 2008-2012 Five Year Estimates

Tenure and Occupancy		
Need: Continuation of the high home ownership percentage within Bluffton.		
Goal: Support the education of potential home buyers of the benefits of home ownership through partnership with the appropriate agencies and non-profit organizations.		
Implementation Steps	Responsible Parties	Time Frame
1. Foster a relationship with the Lowcountry Community Development Corporation and other groups that provide resources on home ownership education and assistance.	Planning, local non-profits, State Housing and Finance, Beaufort County	Medium
2. Partner with local lending agencies and mortgage brokers to offer assistance on home ownership programs and education.	Local lending agencies, non-profits	Medium

5.3 Age and Condition

The age of housing stock in Bluffton and Beaufort County is generally very new, particularly in Bluffton, with the majority of homes built just in the last decade (see Figure 5.5).

Figure 5.5

Year Home Was Constructed (Bluffton & Beaufort County)

Year Structure Built	Bluffton		Beaufort County	
	2000	2012	2000	2012
2010 or later		0.9%		0.3%
2000-09	-	76.0%	-	29.8%
1990-99	35%	10.3%	40%	24.9%
1980-89	27%	1.9%	27%	23%
1970-79	13%	3.5%	16%	12.2%
1960-69	8%	3%	8%	3.9%
1940-59	10%	2.8%	8%	4.7%
1939 or earlier	8%	1.1%	2%	1.2%

Source: US Census 2000, American Community Survey 2008-2012 Five Year Estimates

Unfortunately, a walking and riding tour of Bluffton indicates that numerous lots are overgrown with weeds and grass and/or contain debris, garbage and abandoned vehicles. This is not only an aesthetic, but also a health and safety issue. The importance of the day-to-day maintenance of housing units cannot be overemphasized. To ensure the preservation and maintenance of existing housing by property owners, Bluffton should use a variety of basic strategies and programs to improve the appearance and value of existing neighborhoods, as described below.

- **Codes and Ordinances:** Bluffton should review its building codes and ordinances to determine the extent to which maintenance issues may be addressed by existing regulations. Where regulatory deficiencies exist, Bluffton should consider stricter requirements.
- **Enforcement Practices:** In the event sufficient regulations exist, Bluffton should review its enforcement policies and procedures to identify ways in which to improve regulatory enforcement of existing laws. This review should include an analysis of Bluffton's violation management procedures and penalty (fine) structure.
- **Annual Neighborhood Beautification Programs (Spring and Fall Clean-up Programs):** Bluffton should host annual or

bi-annual beautification efforts providing for the “free” curbside removal of large-scale trash, debris, appliances, etc. Hazardous waste collection sites should be designated as part of this effort for the disposal of household products such as paints, vehicular fluids, and the like.

- **Housing Rehabilitation Programs:** Bluffton should assist homeowners to rehabilitate existing dwellings, to make housing repairs, to undertake emergency repairs and to continue basic maintenance. Possible programs that could be offered include housing rehabilitation, housing façade, emergency repair grants, tax abatements, free paint and free smoke alarm programs.
- **Support Programs to Encourage Ownership:** Support programs to encourage homeownership in areas with increased renter-occupied dwellings with first time homebuyer down payment assistance.
- **Education Programs:** Conduct community awareness programs on blighting influences, annual refuse collections, and comprehensive code enforcement efforts throughout residential neighborhoods and adjacent nonresidential areas.

Ordinances dealing with substandard housing and minimum property maintenance requirements should be used to assist Bluffton in either removing poor quality housing to allow infill opportunities, or rehabilitation. Refer to Appendix A for additional discussion on substandard housing.

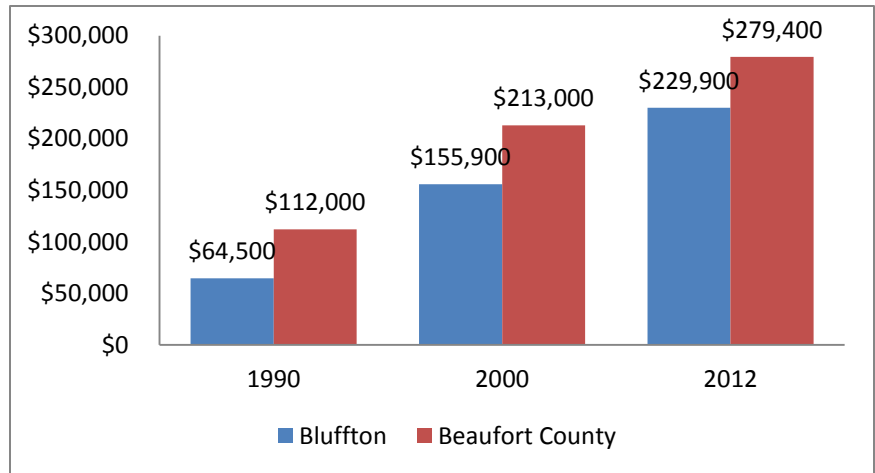
Age and Condition		
Need: Availability of safe and decent housing for all residents.		
Goal: Rehabilitate recoverable housing and increase the aesthetic appearance of the community.		
Implementation Steps	Responsible Parties	Time Frame
1. Adopt property maintenance standards and enforcement provisions to ensure the maintenance and upkeep of property, for both the structure and the property. Review building codes and ordinances to determine the extent to which maintenance issues may be addressed by existing regulations.	Town Council, Planning, County Building Department	Medium
2. Review enforcement policies and procedures to identify ways in which to improve regulatory enforcement of existing laws.	Administration	Short
3. Adopt more stringent mobile home standards to ensure the safety of the unit as well as to maintain the aesthetic character of the town.	Town Council, Planning	Medium
4. Support community efforts to assist home owners to clean up properties and neighborhoods.	Town Council, local non-profits, community groups	On-going
5. Conduct community awareness programs on blighting influences, annual refuse collections, and comprehensive code enforcement efforts	Town Council, Administration, Planning	Medium
6. Develop programs to encourage home ownership.	Town Council, Administration, Planning	Medium
Goal: Identify and repair or demolish the structures which are in critical need of repair or demolition to ensure the safety of the residents and the community.		
Implementation Steps	Responsible Parties	Time Frame
1. Adopt a demolition by neglect ordinance to ensure that structures are not neglected to the point of demolition, ensuring the preservation of significant structures.	Town Council, Planning	Medium
Goal: Obtain grants for infrastructure or housing rehabilitation projects.		
Implementation Steps	Responsible Parties	Time Frame
1. Complete grant applications and successfully obtain water and sewer for housing units currently lacking these services.	Town Council, Planning	Medium
2. Complete grant applications and successfully obtain funding for homes needing rehabilitation.	Town Council, Planning	Medium

5.4 Home Values and Rents

Median home values (see Figure 5.6) in both Bluffton and the County increased significantly between 1990 and 2012. However, home values remained higher in the County although Bluffton is gaining ground.

Figure 5.6
Median Home Value 1990-2012

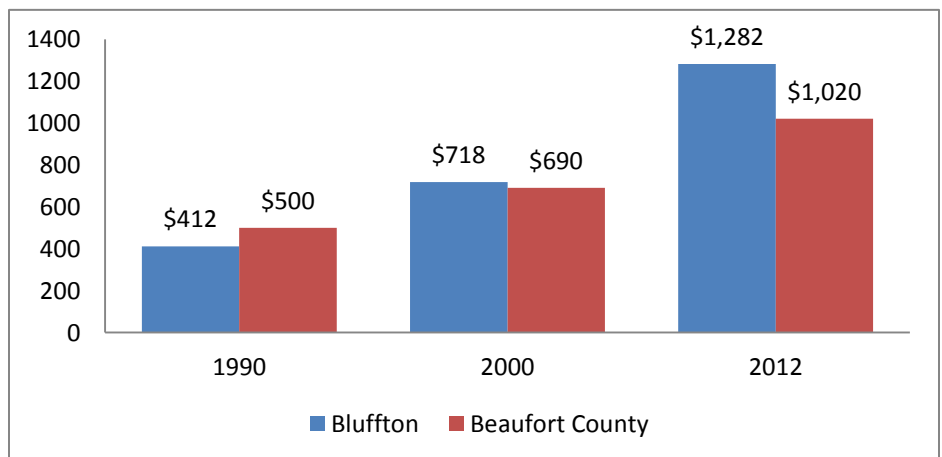
In 2000, Bluffton's gross median rent (see Figure 5.7) increased and exceeded County rents. This trend continued up to 2012 as gross median rent in Bluffton exceeded the County by 25%. This may be a particular concern for those residents seeking affordable rental housing in Bluffton.



Source: US Census 2000, 1990, American Community Survey 2008-2012 Five Year Estimates

According to information from Home Gain, local realtors, and the US Census, the average home sales price in Bluffton was significantly higher than for all of South Carolina and may have implications for local housing affordability.

Figure 5.7
Gross Median Rent 1990-2012



Source: US Census 2000, 1990, American Community Survey 2008-2012 Five Year Estimates

Home Values and Rent		
Need: Consistency between income and wage and the rising value of housing and rent.		
Goal: Support economic development efforts.		
Implementation Steps	Responsible Parties	Time Frame
1. Support economic development efforts to increase wages and income to stay with the pace of rising home values and rental costs.	Town Council, Economic Development Subcommittee	Short

5.5 Affordable Housing

Increased housing costs, coupled with relatively low wages, make home buying difficult for lower income families, young couples and single persons. These households are often concerned with saving money for down payments and closing costs, as well as other monthly incidentals for such items as taxes, insurance and maintenance. For some previous homeowners, life cycle changes may also bring about decisions to rent rather than own. Therefore, to fulfill the housing needs of all residents, Bluffton will need an adequate supply of housing for all incomes and lifestyles. A primary concern for both existing and prospective residents is that the housing supply, whether for sale or rent, is affordable. A standard definition of the term “affordable housing” is as follows:

Housing for which the total cost (including utilities, taxes, insurance, and rent or mortgage payments) is not more than 28% of the household’s monthly gross income.

Because affordability is determined primarily by individual household income, it is difficult to define a single housing “price” that is affordable to everyone. What may be affordable to a single person may not be affordable to a family of four with two working adults. Figure 5.8 breaks down housing costs for homeowners and renters in Bluffton as a percent of household income. Those paying 28% or more of their income on housing costs can be defined as not living in “affordable” housing.

Figure 5.8						
Town of Bluffton Owner & Renter Housing Cost as Percentage of Income						
	Bluffton 2000		Bluffton 2012		Bluffton (2000-2012)	
	No.	Pct.	No.	Pct.	Difference	Pct. Change
Total Specified Owner-occupied units	288	77%	3,110	88%	3,431	1191.32%
*Monthly Owner Cost (1999):						
Less than 20% of income	108	37.5%	781	25.1%	366	338.9%
20 to 24.9% of income	48	16.7%	418	13.4%	370	770.8%
25 to 29.9% of income	48	16.7%	255	8.2%	207	431.3%
30 to 34.9% of income	7	2.4%	370	11.9%	363	5185.6%
35% or more of income	77	26.7%	1,286	41.4%	1,209	1570.1%
*Median Mortgage Payment	\$1,140	-	\$1,793	-	\$653	57.2%
Total Specified Renter-occupied units	85	23.0%	866	89.6%	781	918.8%
*Monthly rental cost (2009):						
Less than 20% of income	29	34.1%	113	13.0%	84	289.7%
20 to 24.9% of income	10	11.7%	193	22.3%	183	1830.0%
25 to 29% of income	9	10.6%	185	21.4%	157	1744.4%
30 to 34% of income	6	7.1%	156	18.0%	150	2500.0%
35% or more of income	18	21.2%	219	25.3%	201	1116.7%
*Median rent	\$718	-	\$1,282	-	\$564	78.6%
Source: US Census 2000, American Community Survey 2008-2012 Five Year Estimates						
Note: *All units were not used in computation of percentages						
The Standard is 30% of income						

While in 2000 the majority of homeowners lived in “affordable” housing, the percent of homeowners spending greater than 28% of their income on homeowner costs increased from 29.1% in 2000 to 53.3% of homeowners in 2010. This figure may likely be skewed by the drastic downturn in the housing market during the recent recessionary period. Rents increased by 78% between 2000 and 2010, and 56% of those renting met “affordability” standards since they fell below the 28% threshold.

Affordable housing must not just focus on those families with low or poverty level incomes or be concentrated in a single location so that “pockets of poverty” develop. Rather, Bluffton seeks a mixed and balanced housing supply that is well integrated into overall fabric of the community so as to attract families with varying income levels.

Making land available to accommodate a wide range of housing types and densities is one option to encourage an adequate supply of affordable housing. Bluffton’s existing zoning ordinance includes two

single family residential zoning districts (General Residential and Single Family Residential) that, taken together, permit a variety of housing, ranging from single-family detached homes on large lots, to mobile homes and apartments. Bluffton should take advantage of its full range of residential zoning districts to help meet the housing needs of residents.

Another strategy is “infill” development within existing residential neighborhoods. “Infill” encourages development on empty lots in existing urban areas rather than on outskirts and, therefore, discourages sprawl. Infill development can result in more efficient use of existing infrastructure, trigger an increased neighborhood-wide reinvestment, and help rejuvenate older neighborhoods. Removing dilapidated structures to allow infill may be one way to promote new housing within Bluffton.

Mobile homes are not considered to be a viable long term option to address the community’s affordable housing issues; nonetheless, as indicated by recent permit data, there are a significant number of them in Bluffton. While mobile homes may need special consideration they should also promote quality residential areas by conforming to standards that result in safe and attractive housing. Some factors to consider include: density, setbacks, access, site location (parallel as opposed to perpendicular to the road), lot coverage, open space, buffering, landscaping, streets, sidewalks, parking and outdoor storage. To achieve quality residential neighborhoods Bluffton’s zoning standards for mobile homes may need to be reviewed for clarity and strengthened, if necessary.

Workforce Housing

Workforce jobs are essential front-line jobs that include service and construction workers, teachers, government employees, police officers, fireman, and restaurant or retail workers. Bluffton has identified the need for workforce housing by analyzing its population. The Workforce Housing Needs Assessment produced by GVA Marquette Advisors in 2004 for the Beaufort County Council. This working document was conducted to address workforce housing needs and forms the basis of this section of the plan. It is also used by non-profit organizations to review applications for housing assistance.

Workforce households are defined as those whose members collectively earn 80% of the median family income, adjusted for household size as defined by HUD. In 2010, median family income in Bluffton was \$67,344; therefore, workforce housing income, as previously defined, was \$53,875. In the same year, the US Census Bureau determined that of the 2,927 families in Bluffton, 63% (1,086) met the definition of a workforce family.

This report also identified annual housing demand for the region for 2004-2009. Accordingly, the southern Bluffton area (SC-46 is the dividing line) will need 14 subsidized rental units, four owner occupied units and repairs made to 426 substandard units. The northern Bluffton area will require 11 rental units, three owner occupied units, plus repairs made to 117 substandard units.

Affordable Housing Organizations

There are many resources for information on affordable housing programs, including grant and loan programs, and many non-profit organizations, which are each described in Appendix A. Partnering with area organizations is essential to achieve affordable housing options within Bluffton.

Affordable Housing Incentives

Inclusionary Zoning: Inclusionary zoning is a land-use concept under which zoning ordinances require a certain amount of housing for low and moderate income households. In many cases, a developer may pay a fee in-lieu of providing this housing. The details of inclusionary zoning are numerous and there are many options which can be explored in more detail with community leaders and citizens to determine which techniques may be more desirable and workable in Bluffton.

Some of the important variables in an inclusionary zoning ordinance are: set aside requirements or percentages of land or units that must be dedicated to a defined population in need of affordable housing, cost offsets or developers incentives, a development target size that triggers required set asides, affordability control periods, mechanisms to insure that the set asides remain affordable for a certain period of time, and alternatives such as in-lieu payments. Many communities in states across the country are using such creative tools to help meet

their specific housing needs. These include Boston, Chicago, Colorado, Maryland, New Mexico and California.

Inclusionary zoning, if properly applied, can have other benefits such as preventing sprawl into undeveloped land away from urban centers and utilities. It can also be used to combat gentrification where there is the potential to displace existing residents from rehabilitated neighborhoods. A mix of housing units, at various scales and prices, can also help support a healthy community that does not separate, concentrate or isolate poorer population groups and gives all residents equal access to schools, infrastructure, and community services.

Moderately Priced Dwelling Units: Montgomery County, Maryland has been a national leader in affordable housing and requires a percent of all homes to be moderately priced dwelling units (MPDUs) in residential developments of a certain size. This blend of variably priced housing accommodates home owners earning 80% of the median county household income. Given its long history and apparent success, Bluffton should explore the viability of a MPDU program. When drafting such an ordinance, not only is it important to include specific definitions for qualifying units, it is also important to control resale prices for a period of time and set rent levels. If not, market forces will prevail and affordable units will be quickly resold at market rates and lost.

Affordable Housing Fund: An Affordable Housing Fund could be established using fees paid in-lieu of providing affordable housing in inclusionary zoning districts or funds from other contributions. Such a pool could help support affordable housing by funding impact fees associated with affordable housing development, acquire land or subsidize affordable housing efforts.

Developer Bonuses: For inclusionary zoning or workforce housing ordinances to work effectively, incentives should be provided to developers. These incentives can be used in conjunction with the previously described ordinances, or on their own as tools that are applied to conventional zoning districts. These incentives include, but are not limited to: density bonuses, setback or parking variances, fees paid in-lieu, reduction in permit fees, or expedited application processes.

Housing Authority: Bluffton may wish to consider establishing a future non-profit housing authority. Typically, a housing authority

builds and provides safe and secure living environments for low and moderate income residents. While Bluffton's current efforts are to support non-profits and secure land for affordable housing development, additional research must be done to assess the feasibility of forming this authority.

Historic Preservation Tax Incentives: While there are federal and state income tax credits available equal to a percentage of the rehabilitation costs associated with a contributing historic structure, Bluffton may want to consider a special local property tax abatement for the rehabilitation of structure's that meet the Town's criteria for historic designation as permitted by the "Bailey Bill".

Barriers to Affordable Housing

Cost

There are currently many barriers that must be addressed to help solve affordable housing issues. Several strategies have been discussed in this chapter; however, the biggest hurdle is the high cost of land. High land prices constrain non-profit organizations in their ability to construct affordable housing and they further impact populations with fixed or limited incomes. Along with the high cost of land is the high cost of property insurance. Bluffton may wish to become actively involved or knowledgeable about the South Carolina Department of Insurance and make its needs and concerns known.

As growth occurs it impacts a community's ability to provide key infrastructure such as libraries, roads, and parks. This is why impact fees are imposed on new construction, to cover the resulting direct impacts and costs associated with development. To address potential community costs, an option may be to use fees paid in-lieu or an impact fee bank to help offset the cost of affordable housing units to a developer or to persons of a certain income level.

Ownership

Another barrier to land purchases is heirs' property. Much of the land in Bluffton has been deeded to various family members for well over one hundred years. In fact, one parcel of land may have many different owners, which makes it very difficult to obtain a clear title. These hurdles may be cleared with cooperation, coordination and

effective action described in the goals, needs and implementation strategies identified in this plan.

Regulatory

A perusal of the Unified Development Ordinance found that there are no regulations that would be considered as barriers to affordable housing or non-essential, including complicated administrative and permitting procedures, unreasonable or expensive building code requirements for rehabilitation projects, complex public review requirements or large lot single-family zoning. In fact, the Town of Bluffton recently revised the review process for manufactured homes in the Historic District to enable an expedited review of a conforming application. Although there are no regulatory barriers for affordable housing, there may be room for improvement to encourage more affordable housing in Town including the following:

- Consider permitting multifamily housing in additional districts; and
- Better define special needs housing and ensure there are not excessive requirements associated with the use.

Although there is a need for affordable housing throughout the region, the natural swings of the development and housing markets must not be ignored. It is imperative that any required affordable housing units do not cause a large discrepancy in project profitability. A possible concern may be that developers choose to build the required affordable units and then, rather than build within a middle price range, maximize profit and build only upper scale, expensive homes. This would result in leaving a gap in middle class housing choices.

Affordable Housing		
Need: Availability of affordable housing for the low income and workforce population.		
Goal: Increase affordable housing options and allow and encourage it throughout the community.		
Implementation Steps	Responsible Parties	Time Frame
1. Create and foster relationships with non-profit groups to assist in the development, construction, and/or purchase of affordable housing units.	Planning, local non-profits, Beaufort County	Short
2. Adopt an inclusionary zoning ordinance, workforce housing ordinance, or moderately priced dwelling unit program.	Town Council, Administration, Planning Commission, Planning	Short
3. Establish an "affordable housing fund" that would fund affordable housing efforts. Funds could come from "fees in lieu of" providing affordable housing from future inclusionary zoning.	Town Council, Administration, Planning Commission, Planning	Medium
4. Consider the exemption of affordable housing projects from impact fees. Consider paying impact fees with funding from a future "affordable housing fund" or other sources.	Town Council, Administration, Planning Commission, Planning	Medium
5. Research and consider developer incentives to construct affordable housing units.	Town Council, Administration, Planning Commission, Planning	Short
6. Continue to support the Affordable Housing Subcommittee to assist with coordination and facilitation of affordable housing efforts.	Town Council	Short
7. Acquire property to be made available to local groups to construct affordable housing units.	Town Council, local non-profits	On-going
8. Research the feasibility of establishing a Housing Authority to build affordable housing units.	Town Council, Administration	Long
9. Ensure affordable housing rental options.	Town Council, Administration	Ongoing
10. Support efforts that provide affordable housing for mixed income families.	Administration, Planning, Home Builder's Association, Housing Corporation	Ongoing